



BUSINESS REPORT

Date: **5th July 2025**

Business Reference: **37117**

About the Business:

Franchised stone and paving manufacturer in Bloemfontein.

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Sector: **Manufacturing**

Asking Price:

R **1,600,000**

Monthly Profit:

R **89,837**

Asset Value:

R **2,584,000**

Stock Value:

R **800,000**

Yearly Net Profit :

R **1,078,038**



Business Report

Fully describe the business's activities?

The original concept was to create concrete products that simulated the look and feel of natural stone, but they quickly evolved into much more. They pioneered the idea of exterior design systems, which was achieved by creating products with natural textures, others which remained true to concrete and still others that could only be described as authentic concrete stone. Subsequently, they became a generic name and their manufactured product range expanded to include various shape and texture pavers, wall cladding, tiles and landscaping features. Their cost-effective paving products are manufactured to replicate the same natural beauty as real stone and are suitable for residential or commercial paving projects.

Although the product is handmade, every piece is precision-engineered to work as part of a greater unit. They don't simply supply products – they supply, design and consistency with the end result in mind. The appearance of concrete paving products is only one part of the equation because they understand that you buy driveways, patios, paths or pool paving and not just loose pavers or tiles. They help home-owners select the right concrete paving for each project and are committed to the best possible design to ensure that significant value is added to your investment.

Their goal is to make products readily available to all, so they developed a national footprint through a licensee program that extends throughout South Africa. Beyond South African borders.

Their products are also sold in Mozambique, Swaziland and Lesotho, while a fully-fledged manufacturing plant has been opened in Zambia. The franchise is a member of the Concrete Masonry and Hardscapes Association, which proves their commitment to the advancement of paving and concrete products, as well as assuring their clients that they are buying the best possible quality paving.

How does the business operate on a daily basis?

The company's income is derived from manufacturing and selling decorative paving products but can be increased by adding a landscaping service. Their products include cobble paving, flagstone paving, wall cladding, landscaping products, and much more.

The manufacturing plant is run by a trusted manager with the owner providing oversight on both the manufacturing plant side and on the sales front.

What Advertising/Marketing is carried out?

Social media presence
Website

What competition exists?

There are other manufacturers in this space, however not as large as our client.
Our client has the lion share of the market.

While there are two large paving producers in Bloemfontein (CEM Brick, Empire Brick) they don't really see them as direct competitors. They cater largely to the customer who is price conscious / functional, and not looking for a creative or designer type of product that will enhance the appearance and value of their property

How could the profitability of the business be improved?

The operating area allocated to the franchisee includes the Free State, Northern Cape, and parts of the Eastern Cape. It is a large area with plenty of room for expansion. There is a massive opportunity to increase the profit of this already profitable company by implementing a landscaping consulting service with its current products.

Give a breakdown of staff/ functions/ length of service?

- General management – Owner
- Marketing / design / sales management
- Factory manager
- Sales Office manager
- Factory Supervisor / Assistant manager

The balance of staff members are general laborers in the factory.

Do any have management potential?

There is a management structure in place.

How involved is the Owner in running the business?

The owner is involved on a daily basis, however his time is flexible and leaves the business in the hands of the managers for up to a month at a time.

When does the current lease end?

The Seller owns the property which is not included in the sale price.

A buyer will need to commit to buying the property/factory premises from the seller within a 2-year period after effective date.

Property price = R2.1 million.

The factory premises is situated in an industrial business area and consists of an office, factory and large yard to store finished product.

The showroom and retail area are offsite in a suburban area, displaying the bespoke paving and cobbling products in a beautiful garden setting.

What are the trading hours?

8am - 5pm.

What are the main assets of the business?

A full asset list will be made available to qualified buyers,

Strengths?

They are part of a large franchise group and are able to tap into the franchisors expertise.

They cater for a niche market.

They pride themselves on a wide range of products.

They offer discerning customers a better choice of products, colours and finishes to suit indoor and outdoor applications.

Stock levels - they keep a reasonable amount of stock and are usually able to supply contractors directly from stock, avoiding / reducing construction site delays.

They use borehole water and do not rely on municipal water supply.

They have established agents in Bethlehem and Kimberley who regularly buy stock to supply their customers

Weaknesses?

The owner has reached retirement age. Young energy, vision and drive is needed to take this business into the future with a wider range of contacts and products.

Opportunities?

The improvement / upgrading of public spaces is already evident in Bloemfontein with the start of the Waaihoek project on the eastern edge of the city centre, also the UFS – Red Square modernization, and the possible Kimberley airport upgrade project.

Threats?

Political uncertainty is the single biggest threat, but by concentrating on the homeowner market, this uncertainty can to a large extent be mitigated against. The large government funded projects have not been the mainstay of this business. When these larger projects do materialize, they are to be considered a bonus.

What is the reason for the sale?

The owner has reached retirement age.